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C O N F I D E N T I A L SECTION 01 OF 02 ROME 002349

SIPDIS

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STATE FOR PRM A/S DEWEY, IO A/S HOLMES, EUR/NE, EUR/WE, CONFIDENTIAL

PAGE 02 ROME 02349 01 OF 02 281028Z SA/INS, IO/EDA FOR SETH WINNICK USDA/FAS FOR U/S PENN, MCHAMBLISS, RTILSWORTH AND LPANASUK USAID FOR ADMINISTRATOR NATSIOS, AA/DCHA WINTER, D/DCHA/OFDA BMCCONNELL, D/DCHA/FFP LANDIS JOINT STAFF FOR JE/J4/J5 NSC FOR JDOWRKEN

E.O. 12958: DECL: 05/27/2013

TAGS: AORC EAID EAID IZ EAGRTR FAO WFP IZAORC EAGRTR FAO WFP SUBJECT: TFIZ01: FAO AWAITING GUIDANCE ON ROLE IN AGRICULTURAL REHABILITATION OF IRAQ

REF: ROME 2102

CLASSIFIED BY: DEPUTY CHIEF OF MISSION LUCY TAMLYN

- 11. (SBU) SUMMARY. USDA/FAS DEPUTY ADMINISTRATOR MARY CHAMBLISS AND BABETTE GAINOR, FAS/EXPORT CREDITS, ACCOMPANIED BY MISSION OFFICERS KATIE NISHIURA AND TIM LAVELLE, CALLED UPON LAURENT THOMAS, CHIEF, SPECIAL EMERGENCY PROGRAMMES SERVICE, FAO, TO DISCUSS FAO'S ACTIVITIES IN IRAQ. THOMAS SAID THE LIFTING OF SANCTIONS WAS VERY GOOD NEWS, BUT FAO IS AWAITING GUIDANCE FROM NEW YORK ON THE UN'S ROLE IN REHABILITATION OF THE COUNTRY. THE FUTURE OF OIL FOR FOOD REMAINS A SOURCE OF UNCERTAINTY FOR CONTINUED FAO ACTIVITIES. THOMAS PROMISED TO SHARE SHORTLY FAO'S DRAFT THREE-YEAR PLAN FOR AGRICULTURAL DEVELOPMENT IN NORTHERN IRAQ. CHAMBLISS RECOMMENDED THAT THOMAS FOLLOW UP WITH A VISIT TO WASHINGTON DURING THE WEEK OF JUNE 9. END SUMMARY.
- 12. (SBU) THOMAS PROVIDED CHAMBLISS AN OVERVIEW OF FAO'S CONFIDENTIAL
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 LONGSTANDING PROGRAM IN IRAQ, MUCH AS DESCRIBED IN REFTEL,
 AND NOTED RECENT DEVELOPMENTS AFFECTING FAO OPERATIONS.
 REGARDING UNSCR 1483. THOMAS SAID THE LIFTING OF SANCTIONS
 WAS VERY GOOD NEWS. IN ADDITION, HE BELIEVED THE REFERENCE
 TO "HEALTH" IN THE RESOLUTION ALLOWS FAO TO PROCEED WITH
 VITAL ANIMAL HEALTH ACTIVITIES. HOWEVER, AS A GENERAL
 MATTER, FAO IS AWAITING GUIDANCE FROM NEW YORK ON THE UN'S
 ROLE IN THE REHABILITATION OF THE COUNTRY, AND HAS PUT ON
 HOLD FOR THE TIME BEING REVIEW AND RENEGOTIATION OF EXISTING
 CONTRACTS. LIKEWISE, THE FUTURE OF OIL FOR FOOD (OFF), WHICH
 HAS BEEN THE MAJOR SOURCE OF FUNDS FOR FAO, REMAINS A SOURCE
 OF UNCERTAINTY, ALTHOUGH THOMAS SEEMED TO BELIEVE THAT OFF
 WOULD CONTINUE TO SUPPORT SOME FAO PRIORITIES. THOMAS
 INDICATED THAT FAO IS PREPARING ITS SUBMISSION FOR THE
 REVISED UN APPEAL TO BE ISSUED IN LATE JUNE, TAKING INTO
 ACCOUNT NEWLY IDENTIFIED NEEDS AND WITHDRAWING REQUESTS THAT
 ARE NO LONGER APPROPRIATE (I.E., THE TIME FOR IMPLEMENTATION
 HAS PASSED).
- 13. (C) THOMAS ALSO REPORTED THAT FAO HAS BEEN REQUESTED TO FACILITATE PURCHASE OF UP TO 500,000 METRIC TONS (MT) OF LOCALLY PRODUCED BARLEY AT \$65/MT, AN UNPRECEDENTED ACTIVITY FOR FAO. WHILE, ACCORDING TO THOMAS, THE MINISTRY OF TRADE WILL BE THE BUYER OF THE BARLEY AND WILL IN TURN SELL IT FOR ANIMAL FEED, FAO WILL ORGANIZE THE TRANSACTIONS, INCLUDING THE DISBURSEMENT OF FUNDS. AT THIS POINT, THOMAS EXPECTS THESE TRANSACTIONS TO BE CARRIED OUT THROUGH THE BANKING SYSTEM. HOWEVER, FAILING THAT, MAJOR SECURITY CONCERNS EMERGE FOR FAO PERSONNEL, WHO WOULD BE CALLED UPON TO HAND CARRY THE NECESSARY FUNDS UNDER ARMED GUARD. (NOTE: WFP HAS BEEN ASKED, ACCORDING TO THOMAS, TO PURCHASE 1 MILLION MT OFF CONFIDENTIAL
- PAGE 04 ROME 02349 01 OF 02 281028Z WHEAT AT \$105/MT. THOMAS INDICATED THAT DISEASE PROBLEMS MAY MAKE SOME OF THE CROP UNFIT FOR HUMAN CONSUMPTION, WHICH WOULD POSE A DILEMMA FOR WFP.)
- 14. (SBU) THOMAS RAISED THE SUBJECT OF FAO'S DRAFT THREE-YEAR PLAN FOR AGRICULTURAL DEVELOPMENT IN NORTHERN IRAQ, PROMISING TO TRANSMIT IT TO MISSION OFFICERS LATER THIS WEEK. HE EXPLAINED THAT TYPICALLY FAO DEVELOPS SUCH PLANS IN CONSULTATION WITH THE COUNTRY'S GOVERNMENT, BUT SINCE THAT WAS NOT THE CASE HERE, THE DOCUMENT IS A "FINAL DRAFT." THOMAS FURTHER PROMISED THAT FAO WOULD MAKE AVAILABLE TO THE UNITED STATES IN COMING WEEKS "DESK WORKS" OR REPORTS COVERING THE STATE OF AGRICULTURE IN THE CENTRAL AND SOUTHERN PORTIONS OF IRAQ. CHAMBLISS WELCOMED THE PLAN AS A POINT OF DEPARTURE FOR AN FAO-USG DIALOGUE ON FUTURE AGRICULTURAL DEVELOPMENT IN IRAQ AND FAO'S EVOLVING ROLE THERE. SHE

RECOMMENDED THAT THOMAS TRAVEL TO WASHINGTON DURING THE WEEK OF JUNE 9, WHICH WOULD ALLOW AGENCIES TIME TO REVIEW THE PLAN. SHE ALSO RECOMMENDED THAT THOMAS MEET WITH DAN AMSTUTZ, RECENTLY NAMED ADVISOR TO THE MINISTRY OF AGRICULTURE, PRIOR TO AMSTUTZ' DEPARTURE FOR BAGHDAD IN MID-JUNE.

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ACTION SS-00

INFO LOG-00 NP-00 AGRE-00 AID-00 AMAD-00 CIAE-00 INL-00 OIGO-00 FDRE-01 VC-00 EB-00 EUR-00 IO-00 VCE-00 SRPP-00 EAP-00 TEDE-00 INR-00 NEA-00 NSAE-00 NSCE-00 SA-00 OES-00 OIC-02 IRM-00 SSO-00 PRM-00 DRL-01 /004W SAS-00

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P 281028Z MAY 03
FM AMEMBASSY ROME
TO SECSTATE WASHDC PRIORITY 0128
INFO AMEMBASSY AMMAN PRIORITY
AMEMBASSY ANKARA PRIORITY
AMEMBASSY CANBERRA PRIORITY
AMEMBASSY KUWAIT PRIORITY
AMEMBASSY NICOSIA PRIORITY
USCINCEUR VAIHINGEN GE PRIORITY
US CUSTOMS WASHDC PRIORITY
USEU BRUSSELS PRIORITY 3249
USMISSION GENEVA PRIORITY
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USMISSION USNATO PRIORITY

C O N F I D E N T I A L SECTION 02 OF 02 ROME 002349

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- 15. (C) SPEAKING GENERALLY, THOMAS STATED THAT THE BIGGEST CHALLENGE FACING IRAQI AGRICULTURE WAS HOW TO MAKE THE TRANSITION AWAY FROM ITS HEAVILY SUBSIDIZED, CENTRALLY PLANNED PAST. SHOULD THE TRANSITION GO BADLY, THE POLITICAL CONSEQUENCES COULD BE QUITE NEGATIVE. NONETHELESS, THOMAS EXPRESSED CONFIDENCE THAT IN ONE TO TWO YEARS, IRAQI AGRICULTURE WOULD BE WELL ON ITS WAY TO GETTING BACK ON TRACK. THOMAS ALSO MADE SEVERAL REFERENCES TO THE NEED FOR FAO TO MANAGE IN AN ORDERLY FASHION THE DOWNSIZING OF ITS ROLE IN IRAQ, INCLUDING DIVESTING ITSELF OF ITS MANY ASSETS, HANDING SOME PROJECTS AND RESPONSIBILITIES OVER TO THE NEW AUTHORITIES, AND SHUTTING DOWN OTHERS AS APPROPRIATE.
- $\underline{\textbf{1}}6$. (SBU) MISSION COMMENT: GIVEN THE DEPTH OF FAO EXPERIENCE AND RESOURCES IN THE FIELD IN IRAQ, WE WOULD RECOMMEND USG AGENCIES TAKE FULL ADVANTAGE OF THOMAS' VISIT TO WASHINGTON. HALL

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